

Novealis Holdings LLC

Chapter 313 Application to Clear Creek ISD

Cummings Westlake, LLC

TAB 4

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Novealis Holdings LLC is evaluating the development of a project to construct a facility to produce 3G Borstar PE, a high-performance polyethylene product. The proposed design capacity of this project will be 625 kilo tons per annum ("kTA"). The project includes the design, procurement, fabrication, and construction of a manufacturing plant to be located at the Total Petrochemical USA facility at Seabrook Texas.

The Borstar technology for the manufacturing of PolyEthylene ("PE") has the capability to produce a wide range of PE (powder converted to pellets at the end of the process), for a wide range of applications. In the design considered in this case, the process will be able to make High Density ("HDPE") and Linear Low Density Polyethylene ("LLDPE")

The feedstock monomer used in the proposed project is ethylene that is supplied to the site by pipelines. Small amounts of a co-monomer such as but-1-ene or hex-1-ene are added to the feedstock allowing flexibility to design the polymer for properties required in the targeted markets listed below:

Wire and Cable
Pipe
Film
Moulding

New property necessary for the proposed PE Borstar Project is described below.

- Utilities
- Feed purification
- Loop reactor(s)
- Gas phase reactor(s)
- Recovery
- Co-Catalyst and Oils System
- Pelletizing and Blending
- Silos and Material Handling
- Propane Unloading and Storage
- CoMonomer (1-hexene and 1-butene) unloading and storage facilities
- New i-butane transfer pumps

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
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- Ethylene Pipeline
- Hydrogen Pipeline
- Nitrogen Pipeline
- Natural Gas Pipeline
- Rail Spur and Rail Handling/Loading Facilities*
- New Plant and Instrument Air System New Ground Flare and Regen Thermal Oxidizer
- Boiler Feed Water and Steam Boiler Systems
- Chilled Water Units
- Demin Water Units
- Cooling Tower, Water, and Pumps
- Mineral Oil, TEAL and Catalyst facilities
- Clarifier / Clarified water storage tank(s)
- Fire water loop and monitors
- Potable water lines, tanks, and pumps
- Waste water handling
- Storm water sump(s) and separator(s)
- Waste water containment and handling
- Sanitary sewer systems
- Control Room, process control building, process facilities
- Electrical Substations
- Remote Instrument Enclosure(s)
- Maintenance workshop and warehouse.
- Chemical warehouses - for additives, catalyst, donor, etc.
- Fencing
- Gate House
- Operator Shelter at silo area
- Co-monomers storage facilities

*The new proposed rail assets will be used exclusively to support the new qualified property and are a necessity to this manufacturing process.

Also included in this application, but not limited to, are all of the associated concrete foundations, pipe supports, intra-plant piping, intra-plant conduit and connections, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

The proposed new Borstar PE plant will be constructed adjacent to the existing TOTAL PE manufacturing lines but will be a completely independent process unit with its own operations staff, feed treatment, production process units and product

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handling facilities. The estimated capital investment cost of the project is \$810 million.

If the technical viability of the project is confirmed; all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received; then construction could start as early as Q3 – 2018; with commencement of commercial operations in Q1 - 2021.

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TAB 7

Description of Qualified Investment

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TAB 8

Description of Qualified Property

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PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	–	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$769,500,000	\$40,500,000	\$0	\$0	\$810,000,000
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	NA	NA	\$0	\$0	\$0	\$0	\$0
Value limitation period***	1	2021-2022	2021	\$0	\$0	\$0	\$0	\$0
	2	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
	3	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
	4	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
	5	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
	6	2026-2027	2026	\$0	\$0	\$0	\$0	\$0
	7	2027-2028	2027	\$0	\$0	\$0	\$0	\$0
	8	2028-2029	2028	\$0	\$0	\$0	\$0	\$0
	9	2029-2030	2029	\$0	\$0	\$0	\$0	\$0
	10	2030-2031	2030	\$0	\$0	\$0	\$0	\$0
Total Investment made through limitation				\$769,500,000	\$40,500,000	\$0	\$0	\$810,000,000
Continue to maintain viable presence	11	2031-2032	2031			\$0		\$0
	12	2032-2033	2032			\$0		\$0
	13	2033-2034	2033			\$0		\$0
	14	2034-2035	2034			\$0		\$0
	15	2035-2036	2035			\$0		\$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			\$0		\$0
	17	2037-2038	2037			\$0		\$0
	18	2038-2039	2038			\$0		\$0
	19	2039-2040	2039			\$0		\$0
	20	2040-2041	2040			\$0		\$0
	21	2041-2042	2041			\$0		\$0
	22	2042-2043	2042			\$0		\$0
	23	2043-2044	2043			\$0		\$0
	24	2044-2045	2044			\$0		\$0
	25	2045-2046	2045			\$0		\$0

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.